



JUL 25 2005

The Honorable Bob Taft
Governor of Ohio
77 South High Street
30th Floor
Columbus, Ohio 43215-6117

Dear Governor Taft:

It is with pleasure that I respond to the State of Ohio's request for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. In the Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act for the two-year period, July 1, 2005, through June 30, 2007, the state submitted seven waiver requests. The following is the disposition of the state's waiver submission (copy enclosed).

Requested Waiver 1: Waiver to increase transfer authority of Local Workforce Investment Boards from the current 20 percent to 50 percent for Adult and Dislocated Worker funds.

This waiver request for funds transferability is consistent with one of the improvements that the Administration is seeking in the reauthorization of the Workforce Investment Act—the consolidation of the WIA Adult, WIA Dislocated Worker and Wagner-Peyser Act (Employment Service) funding streams. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e).

Accordingly, the State of Ohio is granted a waiver of the funds transfer limitation at WIA Section 133(b)(4), through June 30, 2007. The waiver allows the state to approve local area requests to transfer up to 50 percent of local area allocations between the WIA Adult and Dislocated Worker programs.

Requested Waiver 2: Waiver to use Individual Training Accounts (ITAs) for youth participants.

The state indicates that the waiver would offer flexibility in using youth funds to provide training services to youth while retaining limited adult funds to be used on adult training services. The request further states that the waiver will allow local areas

to enhance delivery of occupational skills training and increase customer choice for youth. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the state is granted a waiver of the prohibition on the use of ITAs for older and out-of-school youth at 20 CFR 664.510, through June 30, 2007. The state should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

Requested Waiver 3: Extension of the waiver of the time limit on the period of initial eligibility at 20 CFR 663.530.

The state indicates that an extension of this waiver is requested to address the continuing difficulties in the collection of "all student" information from training providers. Without an extension, the state indicates that many training providers are likely to opt out of the Eligible Training Provider system, thus limiting customer choice. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the State of Ohio is granted an extension of the waiver, through June 30, 2007.

Requested Waiver 4: Waiver to permit use of up to 10 percent of local area formula funds in the same manner as statewide funds.

This waiver request for increased funding flexibility is also consistent with the Administration's consolidation proposal cited above. The request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the state is granted a waiver of the language that limits the authority to provide the activities identified in WIA Section 134 to the state. This waiver will permit local areas to request the use of up to 10 percent of local area formula allocation funds for adults and dislocated workers to provide statewide employment and training activities identified at WIA Section 134, through June 30, 2007. These funds must be tracked by funding stream.

Requested Waiver 5: Waiver of the competitive selection requirements for youth service providers for the ten youth program elements.

The state is seeking a waiver of the competitive selection requirements for all ten youth elements at WIA Section 129(c)(2). The state provided a rationale for applying the waiver to three of the elements (paid and unpaid work experience, supportive services, and 12-month follow-up services), but did not include a discussion of the seven other elements. We asked the state to submit additional information so that we could complete our review, but we have not received a response to date. Accordingly, we are responding to the request as submitted. The state is granted a waiver of the WIA

Section 123 requirement to competitively select providers of the three youth program elements cited above. Once we receive the additional information requested from the state, we can respond accordingly to the waiver request for the remaining seven elements.

Requested Waiver 6: Waiver to include youth receiving free school lunches under the National School Lunch Program as a substitute for the WIA Title I income eligibility criteria.

Provisions related to eligibility of providers and participants are excluded from the WIA waiver authority and cannot be waived. The statute provides some flexibility to states in this area through a limited exception to the low-income criterion at WIA Section 129(c)(5). Additionally, the regulations (20 CFR 661.120) give states and local governments authority to establish their own policies and guidelines relating to verifying and documenting eligibility, as long as they are consistent with the statute, the regulations and other federal statutes.

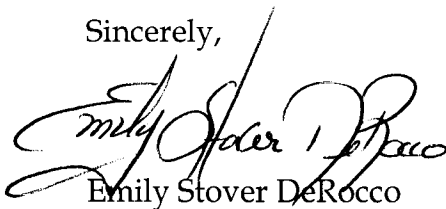
Requested Waiver 7: Waiver to raise the exception to make eligible no more than 10 percent of youth participants that do not meet the minimum income criteria.

Provisions related to eligibility of participants are excluded from the WIA waiver authority and cannot be waived. As cited above, the statute provides some flexibility to states in this area through a limited exception to the low-income criterion at WIA Section 129(c)(5).

As provided for under paragraph 3 of the executed Agreement, the approved waivers are incorporated by reference into the state's WIA Grant Agreement. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's Strategic Plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco", written over a horizontal line.

Emily Stover DeRocco

Enclosure